

AMENDED IN SENATE APRIL 4, 2011

SENATE BILL

No. 727

Introduced by Senator Berryhill
(Principal coauthor: Assembly Member Grove)

February 18, 2011

~~An act to repeal Section 4651.2 of the Labor Code, relating to workers' compensation. An act to add Section 35169 to the Education Code, to amend Section 63036 of the Government Code, and to amend Sections 1720, 1720.4, 1771, 1772, 1777.5 of, to add Sections 1771.1 and 1771.15 to, and to repeal Section 1720.3 of, the Labor Code, relating to public works.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 727, as amended, Berryhill. ~~Workers' compensation. Public works: prevailing wages.~~

Existing law defines the term "public works" for purposes of requirements regarding the payment of prevailing wages, the regulation of working hours, and the securing of workers' compensation for public works projects. Existing law further requires that, except as specified, not less than the general prevailing rate of per diem wages be paid to workers employed on public works projects, and imposes misdemeanor penalties for a violation of this requirement. Existing law exempts certain projects from the prevailing wage requirements, including public works projects of less than \$1,000.

This bill would specify that workers must be employed directly at the site of the work to be deemed employed upon public work. The bill would exempt from the prevailing wage requirements public projects of less than \$100,000. The bill would also exempt from the prevailing wage requirements the governing board of a school district with regard

to the construction, reconstruction, or rehabilitation of school facilities, any fabrication or prefabrication work done at a permanent offsite facilities of a contractor, a public work project of a local agency that adopts a resolution or ordinance, as specified, workers employed on a hospital seismic retrofitting project. The bill would also exempt from the definition of “public works,” for purposes of the prevailing wage requirements, work performed during the design and preconstruction phases of construction, including inspection and land surveying work and would delete provisions of existing law specifying that “public works” includes the hauling of refuse from a public works site to an outside disposal location. This bill would delete from existing law exclusions from the requirements of public works and prevailing wage laws for work done on certain private development projects, affordable housing units for low- or moderate-income persons, privately-owned residential projects, qualified residential rental projects, single-family residential projects, and low-income housing projects.

Existing law, the Bergeson-Peace Infrastructure and Economic Development Bank Act, establishes the California Infrastructure and Economic Development Bank in the Trade and Commerce Agency, which requires public works financed by the bank to comply with those laws relating to payment of prevailing wages.

This bill would remove the requirement that public works financed under that act comply with the prevailing wage requirements.

Existing law, until January 1, 2012, specifies that the prevailing wage requirement does not apply to work performed on or after January 1, 2002, by a volunteer, a volunteer coordinator, or a member of the California Conservation Corps or of a certified community conservation corps, as defined.

This bill would delete the January 1, 2012, date upon which this provision is repealed thus extending this provision indefinitely.

Existing law imposes specified requirements on contracts of \$30,000 or more of general contractors or specialty contractors with regard to the use of apprentices or journeymen on public works projects.

This bill would instead impose these requirements on contracts of \$100,000 or more.

Because this bill would expand the application of the prevailing wage requirements, the violation of which are a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment. Under existing law, a worker may file a petition with the appeals board when it is alleged that a continuing award for a disability has decreased or terminated. Existing law prohibits the grant of that petition while the injured worker is pursuing a rehabilitation plan, as specified, in a section of law that is no longer valid.~~

~~This bill would remove the prohibition on the granting of the petition.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 35169 is added to the Education Code,*
2 *to read:*

3 35169. *The governing board of a school district is not required*
4 *to comply with the wage requirements of Section 1771 of the Labor*
5 *Code, or the successor to that section or any other requirement*
6 *for the payment of prevailing wages, with regard to the*
7 *construction, reconstruction, or rehabilitation of school facilities,*
8 *except to the extent required by federal law.*

9 *SEC. 2. Section 63036 of the Government Code is amended to*
10 *read:*

11 63036. *It is the intent of the Legislature that the activities of*
12 *the bank be fully coordinated with any future legislative plan*
13 *involving growth management strategies designed to protect*
14 *California's land resource, and ensure its preservation and use it*
15 *in ways which are economically and socially desirable. Further,*
16 *all public works financed pursuant to this division, including those*
17 *projects financed through the use of industrial development bonds*
18 *under Title 10 (commencing with Section 91500), shall comply*
19 *with Chapter 1 (commencing with Section 1720) of Part 7 of*
20 *Division 2 of the Labor Code.*

21 *SEC. 3. Section 1720 of the Labor Code is amended to read:*

1 1720. (a) As used in this chapter, “public works” means:

2 (1) Construction, alteration, demolition, installation, or repair
3 work done under contract and paid for in whole or in part out of
4 public funds, except work done directly by any public utility
5 company pursuant to order of the Public Utilities Commission or
6 other public authority. For purposes of this paragraph,
7 “construction” ~~includes~~ *does not include* work performed during
8 the design and preconstruction phases of construction including,
9 but not limited to, inspection and land surveying work.

10 (2) Work done for irrigation, utility, reclamation, and
11 improvement districts, and other districts of this type. “Public
12 work” does not include the operation of the irrigation or drainage
13 system of any irrigation or reclamation district, except as used in
14 Section 1778 relating to retaining wages.

15 (3) Street, sewer, or other improvement work done under the
16 direction and supervision or by the authority of any officer or
17 public body of the state, or of any political subdivision or district
18 thereof, whether the political subdivision or district operates under
19 a freeholder’s charter or not.

20 (4) The laying of carpet done under a building lease-maintenance
21 contract and paid for out of public funds.

22 (5) The laying of carpet in a public building done under contract
23 and paid for in whole or in part out of public funds.

24 (6) Public transportation demonstration projects authorized
25 pursuant to Section 143 of the Streets and Highways Code.

26 (b) For purposes of this section, “paid for in whole or in part
27 out of public funds” means all of the following:

28 (1) The payment of money or the equivalent of money by the
29 state or political subdivision directly to or on behalf of the public
30 works contractor, subcontractor, or developer.

31 (2) Performance of construction work by the state or political
32 subdivision in execution of the project.

33 (3) Transfer by the state or political subdivision of an asset of
34 value for less than fair market price.

35 (4) Fees, costs, rents, insurance or bond premiums, loans, interest
36 rates, or other obligations that would normally be required in the
37 execution of the contract, that are paid, reduced, charged at less
38 than fair market value, waived, or forgiven by the state or political
39 subdivision.

1 (5) Money loaned by the state or political subdivision that is to
2 be repaid on a contingent basis.

3 (6) Credits that are applied by the state or political subdivision
4 against repayment obligations to the state or political subdivision.

5 (e) Notwithstanding subdivision (b):

6 ~~(1) Private residential projects built on private property are not~~
7 ~~subject to the requirements of this chapter unless the projects are~~
8 ~~built pursuant to an agreement with a state agency, redevelopment~~
9 ~~agency, or local public housing authority.~~

10 ~~(2) If the state or a political subdivision requires a private~~
11 ~~developer to perform construction, alteration, demolition,~~
12 ~~installation, or repair work on a public work of improvement as a~~
13 ~~condition of regulatory approval of an otherwise private~~
14 ~~development project, and the state or political subdivision~~
15 ~~contributes no more money, or the equivalent of money, to the~~
16 ~~overall project than is required to perform this public improvement~~
17 ~~work, and the state or political subdivision maintains no proprietary~~
18 ~~interest in the overall project, then only the public improvement~~
19 ~~work shall thereby become subject to this chapter.~~

20 ~~(3) If the state or a political subdivision reimburses a private~~
21 ~~developer for costs that would normally be borne by the public,~~
22 ~~or provides directly or indirectly a public subsidy to a private~~
23 ~~development project that is de minimis in the context of the project,~~
24 ~~an otherwise private development project shall not thereby become~~
25 ~~subject to the requirements of this chapter.~~

26 ~~(4) The construction or rehabilitation of affordable housing units~~
27 ~~for low- or moderate-income persons pursuant to paragraph (5) or~~
28 ~~(7) of subdivision (c) of Section 33334.2 of the Health and Safety~~
29 ~~Code that are paid for solely with moneys from a Low and~~
30 ~~Moderate Income Housing Fund established pursuant to Section~~
31 ~~33334.3 of the Health and Safety Code or that are paid for by a~~
32 ~~combination of private funds and funds available pursuant to~~
33 ~~Section 33334.2 or 33334.3 of the Health and Safety Code do not~~
34 ~~constitute a project that is paid for in whole or in part out of public~~
35 ~~funds.~~

36 ~~(5) “Paid for in whole or in part out of public funds” does not~~
37 ~~include tax credits provided pursuant to Section 17053.49 or 23649~~
38 ~~of the Revenue and Taxation Code.~~

39 ~~(6) Unless otherwise required by a public funding program, the~~
40 ~~construction or rehabilitation of privately owned residential projects~~

1 is not subject to the requirements of this chapter if one or more of
2 the following conditions are met:

3 (A) The project is a self-help housing project in which no fewer
4 than 500 hours of construction work associated with the homes
5 are to be performed by the homebuyers.

6 (B) The project consists of rehabilitation or expansion work
7 associated with a facility operated on a not-for-profit basis as
8 temporary or transitional housing for homeless persons with a total
9 project cost of less than twenty-five thousand dollars (\$25,000).

10 (C) Assistance is provided to a household as either mortgage
11 assistance, downpayment assistance, or for the rehabilitation of a
12 single-family home.

13 (D) The project consists of new construction, or expansion, or
14 rehabilitation work associated with a facility developed by a
15 nonprofit organization to be operated on a not-for-profit basis to
16 provide emergency or transitional shelter and ancillary services
17 and assistance to homeless adults and children. The nonprofit
18 organization operating the project shall provide, at no profit, not
19 less than 50 percent of the total project cost from nonpublic
20 sources, excluding real property that is transferred or leased. Total
21 project cost includes the value of donated labor, materials,
22 architectural, and engineering services.

23 (E) The public participation in the project that would otherwise
24 meet the criteria of subdivision (b) is public funding in the form
25 of below-market interest rate loans for a project in which
26 occupancy of at least 40 percent of the units is restricted for at
27 least 20 years, by deed or regulatory agreement, to individuals or
28 families earning no more than 80 percent of the area median
29 income.

30 (d) Notwithstanding any provision of this section to the contrary,
31 the following projects shall not, solely by reason of this section,
32 be subject to the requirements of this chapter:

33 (1) Qualified residential rental projects, as defined by Section
34 142 (d) of the Internal Revenue Code, financed in whole or in part
35 through the issuance of bonds that receive allocation of a portion
36 of the state ceiling pursuant to Chapter 11.8 of Division 1
37 (commencing with Section 8869.80) of the Government Code on
38 or before December 31, 2003.

39 (2) Single-family residential projects financed in whole or in
40 part through the issuance of qualified mortgage revenue bonds or

qualified veterans' mortgage bonds, as defined by Section 143 of the Internal Revenue Code, or with mortgage credit certificates under a Qualified Mortgage Credit Certificate Program, as defined by Section 25 of the Internal Revenue Code, that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 of Division 1 (commencing with Section 8869.80) of the Government Code on or before December 31, 2003.

(3) ~~Low-income housing projects that are allocated federal or state low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code, Chapter 3.6 of Division 31 (commencing with Section 50199.4) of the Health and Safety Code, or Section 12206, 17058, or 23610.5 of the Revenue and Taxation Code, on or before December 31, 2003.~~

(e) ~~If a statute, other than this section, or a regulation, other than a regulation adopted pursuant to this section, or an ordinance or a contract applies this chapter to a project, the exclusions set forth in subdivision (d) do not apply to that project.~~

(f) ~~For purposes of this section, references to the Internal Revenue Code mean the Internal Revenue Code of 1986, as amended, and include the corresponding predecessor sections of the Internal Revenue Code of 1954, as amended.~~

(g) ~~The amendments made to this section by either Chapter 938 of the Statutes of 2001 or the act adding this subdivision shall not be construed to preempt local ordinances requiring the payment of prevailing wages on housing projects.~~

SEC. 4. Section 1720.3 of the Labor Code is repealed.

~~1720.3. For the limited purposes of Article 2 (commencing with Section 1770), "public works" also means the hauling of refuse from a public works site to an outside disposal location, with respect to contracts involving any state agency, including the California State University and the University of California, or any political subdivision of the state.~~

SEC. 5. Section 1720.4 of the Labor Code is amended to read:

1720.4. (a) This chapter shall not apply to any of the following work:

(1) Any work performed by a volunteer. For purposes of this section, "volunteer" means an individual who performs work for civic, charitable, or humanitarian reasons for a public agency or corporation qualified under Section 501(c)(3) of the Internal

1 Revenue Code as a tax-exempt organization, without promise,
2 expectation, or receipt of any compensation for work performed.

3 (A) An individual shall be considered a volunteer only when
4 his or her services are offered freely and without pressure and
5 coercion, direct or implied, from an employer.

6 (B) An individual may receive reasonable meals, lodging,
7 transportation, and incidental expenses or nominal nonmonetary
8 awards without losing volunteer status if, in the entire context of
9 the situation, those benefits and payments are not a substitute form
10 of compensation for work performed.

11 (C) An individual shall not be considered a volunteer if the
12 person is otherwise employed for compensation at any time (i) in
13 the construction, alteration, demolition, installation, repair, or
14 maintenance work on the same project, or (ii) by a contractor, other
15 than a corporation qualified under Section 501(c)(3) of the Internal
16 Revenue Code as a tax-exempt organization, that is receiving
17 payment to perform construction, alteration, demolition,
18 installation, repair, or maintenance work on the same project.

19 (2) Any work performed by a volunteer coordinator. For
20 purposes of this section, “volunteer coordinator” means an
21 individual paid by a corporation qualified under Section 501(c)(3)
22 of the Internal Revenue Code as a tax-exempt organization, to
23 oversee or supervise volunteers. An individual may be considered
24 a volunteer coordinator even if the individual performs some
25 nonsupervisory work on a project alongside the volunteers, so long
26 as the individual’s primary responsibility on the project is to
27 oversee or supervise the volunteers rather than to perform
28 nonsupervisory work.

29 (3) Any work performed by members of the California
30 Conservation Corps or of Community Conservation Corps certified
31 by the California Conservation Corps pursuant to Section 14507.5
32 of the Public Resources Code.

33 (b) This section shall apply retroactively to otherwise covered
34 work concluded on or after January 1, 2002, to the extent permitted
35 by law.

36 (c) On or before January 1, 2011, the director shall submit a
37 written report to the Legislature that does both of the following:

38 (1) Describes the number and the nature of complaints received
39 and investigations conducted involving the use of volunteers on

public works projects subject to this chapter, that are projects as described in Section 21190 of the Public Resources Code.

(2) Provides an estimate of each of the following as they relate to public works projects that involve the acquisition, presentation, or restoration of natural areas, including parks or ecological reserves, or other public works projects that have one or more of the purposes, as described in Section 21190 of the Public Resources Code:

(A) The number of hours per year that volunteers work on public works projects.

(B) The cost per year of public works projects, that are projects as described in Section 21190 of the Public Resources Code, and the percentage of work performed by volunteers.

(C) The types of work done by volunteers on public works projects, that are projects as described in Section 21190 of the Public Resources Code.

(d) The sum of one hundred thousand dollars (\$100,000) is hereby appropriated from the Environmental License Plate Fund for the purposes of funding the report required pursuant to subdivision (c).

~~(e) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2012, deletes or extends that date.~~

SEC. 6. Section 1771 of the Labor Code is amended to read:

1771. (a) Except for public works projects of one *hundred* thousand dollars ~~(\$1,000)~~ (\$100,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

(b) This section is applicable only to work performed under contract, and is not applicable to work carried out by a public agency with its own forces. ~~This section is applicable to contracts let for maintenance work.~~

(c) *This section is applicable to contracts let for maintenance work.*

(d) *This section does not apply to fabrication or prefabrication work that is done at permanent offsite facilities of contractors.*

1 (e) *This section does not apply to a public work project of a*
2 *local agency, as defined in Section 1771.1, that adopts a resolution*
3 *or ordinance pursuant to that section, unless the payment of not*
4 *less than the general prevailing rate of per diem wages is required*
5 *under a state or federal grant.*

6 SEC. 7. *Section 1771.1 is added to the Labor Code, to read:*

7 1771.1. *The governing body of a local agency, whether charter*
8 *or general law, may adopt, by the affirmative vote of a majority*
9 *of its members, a resolution or ordinance providing that the wage*
10 *requirements of Section 1771 shall apply to any public work of*
11 *that local agency only if required by a state or federal grant. For*
12 *purposes of this section, "local agency" means any city, county,*
13 *city and county, special district, redevelopment agency, transit*
14 *district, school district, community college district, water district,*
15 *hospital district, or fire district, or any joint powers authority*
16 *whose voting members consist entirely of any combination of any*
17 *of those entities.*

18 SEC. 8. *Section 1771.15 is added to the Labor Code, to read:*

19 1771.15. *Notwithstanding any other law, workers employed*
20 *on a hospital seismic retrofitting project are not required to be*
21 *paid either the general prevailing rate of per diem wages, or the*
22 *general prevailing rate of per diem wages for holiday and overtime*
23 *work, for work of a similar character in the locality in which the*
24 *project is performed.*

25 SEC. 9. *Section 1772 of the Labor Code is amended to read:*

26 1772. ~~Workers~~ *Workers, as defined in Section 1723, who are*
27 *employed directly at the site of the work by contractors or*
28 *subcontractors in the execution of any contract for public work*
29 *are deemed to be employed upon public work.*

30 SEC. 10. *Section 1777.5 of the Labor Code is amended to read:*

31 1777.5. (a) *Nothing in this chapter shall prevent the*
32 *employment of properly registered apprentices upon public works.*

33 (b) *Every apprentice employed upon public works shall be paid*
34 *the prevailing rate of per diem wages for apprentices in the trade*
35 *to which he or she is registered and shall be employed only at the*
36 *work of the craft or trade to which he or she is registered.*

37 (c) *Only apprentices, as defined in Section 3077, who are in*
38 *training under apprenticeship standards that have been approved*
39 *by the Chief of the Division of Apprenticeship Standards and who*
40 *are parties to written apprentice agreements under Chapter 4*

1 (commencing with Section 3070) of Division 3 are eligible to be
2 employed at the apprentice wage rate on public works. The
3 employment and training of each apprentice shall be in accordance
4 with either of the following:

5 (1) The apprenticeship standards and apprentice agreements
6 under which he or she is training.

7 (2) The rules and regulations of the California Apprenticeship
8 Council.

9 (d) When the contractor to whom the contract is awarded by
10 the state or any political subdivision, in performing any of the
11 work under the contract, employs workers in any apprenticeable
12 craft or trade, the contractor shall employ apprentices in at least
13 the ratio set forth in this section and may apply to any
14 apprenticeship program in the craft or trade that can provide
15 apprentices to the site of the public work for a certificate approving
16 the contractor under the apprenticeship standards for the
17 employment and training of apprentices in the area or industry
18 affected. However, the decision of the apprenticeship program to
19 approve or deny a certificate shall be subject to review by the
20 Administrator of Apprenticeship. The apprenticeship program or
21 programs, upon approving the contractor, shall arrange for the
22 dispatch of apprentices to the contractor. A contractor covered by
23 an apprenticeship program's standards shall not be required to
24 submit any additional application in order to include additional
25 public works contracts under that program. "Apprenticeable craft
26 or trade," as used in this section, means a craft or trade determined
27 as an apprenticeable occupation in accordance with rules and
28 regulations prescribed by the California Apprenticeship Council.
29 As used in this section, "contractor" includes any subcontractor
30 under a contractor who performs any public works not excluded
31 by subdivision (o).

32 (e) Prior to commencing work on a contract for public works,
33 every contractor shall submit contract award information to an
34 applicable apprenticeship program that can supply apprentices to
35 the site of the public work. The information submitted shall include
36 an estimate of journeyman hours to be performed under the
37 contract, the number of apprentices proposed to be employed, and
38 the approximate dates the apprentices would be employed. A copy
39 of this information shall also be submitted to the awarding body
40 if requested by the awarding body. Within 60 days after concluding

1 work on the contract, each contractor and subcontractor shall
2 submit to the awarding body, if requested, and to the apprenticeship
3 program a verified statement of the journeyman and apprentice
4 hours performed on the contract. The information under this
5 subdivision shall be public. The apprenticeship programs shall
6 retain this information for 12 months.

7 (f) The apprenticeship program that can supply apprentices to
8 the area of the site of the public work shall ensure equal
9 employment and affirmative action in apprenticeship for women
10 and minorities.

11 (g) The ratio of work performed by apprentices to journeymen
12 employed in a particular craft or trade on the public work may be
13 no higher than the ratio stipulated in the apprenticeship standards
14 under which the apprenticeship program operates where the
15 contractor agrees to be bound by those standards, but, except as
16 otherwise provided in this section, in no case shall the ratio be less
17 than one hour of apprentice work for every five hours of
18 journeyman work.

19 (h) This ratio of apprentice work to journeyman work shall
20 apply during any day or portion of a day when any journeyman is
21 employed at the jobsite and shall be computed on the basis of the
22 hours worked during the day by journeymen so employed. Any
23 work performed by a journeyman in excess of eight hours per day
24 or 40 hours per week shall not be used to calculate the ratio. The
25 contractor shall employ apprentices for the number of hours
26 computed as above before the end of the contract or, in the case
27 of a subcontractor, before the end of the subcontract. However,
28 the contractor shall endeavor, to the greatest extent possible, to
29 employ apprentices during the same time period that the
30 journeymen in the same craft or trade are employed at the jobsite.
31 Where an hourly apprenticeship ratio is not feasible for a particular
32 craft or trade, the Chief of the Division of Apprenticeship
33 Standards, upon application of an apprenticeship program, may
34 order a minimum ratio of not less than one apprentice for each five
35 journeymen in a craft or trade classification.

36 (i) A contractor covered by this section that has agreed to be
37 covered by an apprenticeship program's standards upon the
38 issuance of the approval certificate, or that has been previously
39 approved for an apprenticeship program in the craft or trade, shall
40 employ the number of apprentices or the ratio of apprentices to

1 journeymen stipulated in the applicable apprenticeship standards,
2 but in no event less than the 1-to-5 ratio required by subdivision
3 (g).

4 (j) Upon proper showing by a contractor that he or she employs
5 apprentices in a particular craft or trade in the state on all of his
6 or her contracts on an annual average of not less than one hour of
7 apprentice work for every five hours of labor performed by
8 journeymen, the Chief of the Division of Apprenticeship Standards
9 may grant a certificate exempting the contractor from the 1-to-5
10 hourly ratio, as set forth in this section for that craft or trade.

11 (k) An apprenticeship program has the discretion to grant to a
12 participating contractor or contractor association a certificate,
13 which shall be subject to the approval of the Administrator of
14 Apprenticeship, exempting the contractor from the 1-to-5 ratio set
15 forth in this section when it finds that any one of the following
16 conditions is met:

17 (1) Unemployment for the previous three-month period in the
18 area exceeds an average of 15 percent.

19 (2) The number of apprentices in training in the area exceeds a
20 ratio of 1 to 5.

21 (3) There is a showing that the apprenticeable craft or trade is
22 replacing at least one-thirtieth of its journeymen annually through
23 apprenticeship training, either on a statewide basis or on a local
24 basis.

25 (4) Assignment of an apprentice to any work performed under
26 a public works contract would create a condition that would
27 jeopardize his or her life or the life, safety, or property of fellow
28 employees or the public at large, or the specific task to which the
29 apprentice is to be assigned is of a nature that training cannot be
30 provided by a journeyman.

31 (l) When an exemption is granted pursuant to subdivision (k)
32 to an organization that represents contractors in a specific trade
33 from the 1-to-5 ratio on a local or statewide basis, the member
34 contractors shall not be required to submit individual applications
35 for approval to local joint apprenticeship committees, if they are
36 already covered by the local apprenticeship standards.

37 (m) (1) A contractor to whom a contract is awarded, who, in
38 performing any of the work under the contract, employs
39 journeymen or apprentices in any apprenticeable craft or trade
40 shall contribute to the California Apprenticeship Council the same

1 amount that the director determines is the prevailing amount of
2 apprenticeship training contributions in the area of the public works
3 site. A contractor may take as a credit for payments to the council
4 any amounts paid by the contractor to an approved apprenticeship
5 program that can supply apprentices to the site of the public works
6 project. The contractor may add the amount of the contributions
7 in computing his or her bid for the contract.

8 (2) At the conclusion of the 2002–03 fiscal year and each fiscal
9 year thereafter, the California Apprenticeship Council shall
10 distribute training contributions received by the council under this
11 subdivision, less the expenses of the Division of Apprenticeship
12 Standards for administering this subdivision, by making grants to
13 approved apprenticeship programs for the purpose of training
14 apprentices. The funds shall be distributed as follows:

15 (A) If there is an approved multiemployer apprenticeship
16 program serving the same craft or trade and geographic area for
17 which the training contributions were made to the council, a grant
18 to that program shall be made.

19 (B) If there are two or more approved multiemployer
20 apprenticeship programs serving the same craft or trade and
21 geographic area for which the training contributions were made
22 to the council, the grant shall be divided among those programs
23 based on the number of apprentices registered in each program.

24 (C) All training contributions not distributed under
25 subparagraphs (A) and (B) shall be used to defray the future
26 expenses of the Division of Apprenticeship Standards.

27 (3) All training contributions received pursuant to this
28 subdivision shall be deposited in the Apprenticeship Training
29 Contribution Fund, which is hereby created in the State Treasury.
30 Upon appropriation by the Legislature, all money in the
31 Apprenticeship Training Contribution Fund shall be used for the
32 purpose of carrying out this subdivision and to pay the expenses
33 of the Division of Apprenticeship Standards.

34 (n) The body awarding the contract shall cause to be inserted
35 in the contract stipulations to effectuate this section. The
36 stipulations shall fix the responsibility of compliance with this
37 section for all apprenticeable occupations with the prime contractor.

38 (o) This section does not apply to contracts of general
39 contractors or to contracts of specialty contractors not bidding for
40 work through a general or prime contractor when the contracts of

1 general contractors or those specialty contractors ~~involve~~ *are* less
2 than ~~thirty one hundred~~ thousand dollars ~~(\$30,000)~~. *(\$100,000)*.

3 (p) All decisions of an apprenticeship program under this section
4 are subject to Section 3081.

5 *SEC. 11. No reimbursement is required by this act pursuant*
6 *to Section 6 of Article XIII B of the California Constitution because*
7 *the only costs that may be incurred by a local agency or school*
8 *district will be incurred because this act creates a new crime or*
9 *infraction, eliminates a crime or infraction, or changes the penalty*
10 *for a crime or infraction, within the meaning of Section 17556 of*
11 *the Government Code, or changes the definition of a crime within*
12 *the meaning of Section 6 of Article XIII B of the California*
13 *Constitution.*

14 ~~SECTION 1. Section 4651.2 of the Labor Code is repealed.~~